

WINTHROP COUCHOT

PROFESSIONAL CORPORATION

660 Newport Center Drive, Fourth Floor

Newport Beach, CA 92660

Telephone: (949) 720-4100

Facsimile: (949) 720-4111

Sean A. O'Keefe – NY Bar No. 1980853, CA Bar No. 122417

Paul J. Couchot – CA Bar No. 131934

Counsel for the SunCal Appellants

MILLER BARONDESS, LLP

1999 Avenue of the Stars, Suite 1000

Los Angeles, CA 90067

Telephone: (310) 552-4400

Facsimile: (310) 552-8400

Louis R. Miller – CA Bar No. 54141

Martin H. Pritikin -- CA Bar No. 210845

Special Litigation Counsel for SunCal Appellants

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re

**LEHMAN BROTHERS HOLDINGS
INC, et al.,**

Debtors.

Chapter 11

Case No. 08-13555 (JMP)

Jointly Administered

**SUNCAL APPELLANTS' NOTICE OF MOTION FOR STAY PENDING
APPEAL PURSUANT TO FED. R. BANKR. P. 8005 RE ORDER
APPROVING DEBTORS' MOTION PURSUANT TO BANKRUPTCY
RULE 9019 FOR AUTHORITY TO COMPROMISE CONTROVERSY
IN CONNECTION WITH A REPURCHASE TRANSACTION WITH
FENWAY CAPITAL, LLC AND A COMMERCIAL PAPER PROGRAM
WITH FENWAY FUNDING, LLC AND ORDER DENYING MOTION OF
THE SUNCAL DEBTORS FOR AN ORDER DETERMINING
THAT THE AUTOMATIC STAY DOESNOT APPLY; OR, IN THE
ALTERNATIVE, GRANTING RELIEF FROM STAY AND NOTICE OF APPEAL**

PLEASE TAKE NOTICE, that SunCal Communities I LLC, SunCal Communities III LLC, SCC/Palmdale LLC, Acton Estates LLC, SunCal Beaumont Heights LLC, SunCal Emerald Meadows LLC, SunCal Johansson Ranch LLC, SunCal Bickford Ranch LLC, SunCal Summit Valley LLC, Seven Brothers LLC, Kirby Estates LLC, SJD Partners Ltd., SJD Development Corp., SCC Communities LLC, North Orange Del Rio Land LLC and Tesoro SF LLC, the debtors and debtors-in-possession (collectively, the “SunCal Appellants” or the “Appellants”), by and through their undersigned counsel, have filed a motion ("Motion") pursuant to Federal Rule of Bankruptcy Procedure ("FRBP") Rule 8005 seeking a stay pending appeal with respect to that certain *Order Approving Debtors' Motion Pursuant To Bankruptcy Rule 9019 For Authority To Compromise Controversy In Connection With A Repurchase Transaction With Fenway Capital, LLC And A Commercial Paper Program With Fenway Funding, LLC* (the "Compromise Order") entered by this Court on May 13, 2010 (Docket No. 9030) and that certain *Order Denying Motion Of The SunCal Debtors For An Order Determining That The Automatic Stay Does Not Apply; Or, In The Alternative, Granting Relief From Stay* (the “RFS Order”) entered by this Court on May 17, 2010 (Docket No. 9059).

PLEASE TAKE FURTHER NOTICE THAT the Motion seeks an order staying the transactions described in the Compromise Motion and staying the Court’s ruling that the automatic stay will apply to certain actions pending in the SunCal Appellants’ cases upon the closing of the transactions described in the Compromise Motion, pending a ruling on the appeals. In the alternative, the SunCal Appellants seek a stay of thirty (30) days duration in order to provide the SunCal Appellants time to seek the issuance of a stay pending appeal from the United States District Court.¹

PLEASE TAKE FURTHER NOTICE that a hearing will be held in connection with the Motion (the “Hearing”) on _____, 2010 at __:00 p.m. (prevailing Eastern time) before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy

¹ References herein to the O’Keefe Decl. are to the Declaration of Sean A. O’Keefe filed in support of the SunCal Appellants Motion for Relief From Stay. Referenced to the Second O’Keefe Decl. are to the declaration attached hereto.

Court for the Southern District of New York (the "Bankruptcy Court"), Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, Room 601.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the Motion and the relief requested therein must be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Bankruptcy Court, set forth the basis for the objection and the specific grounds therefore, and be filed with the Bankruptcy Court electronically in accordance with General Order M-242, as amended by General Order M-269, by registered users of the Court's electronic case filing system (the User's manual for the Electronic case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), with a hard copy delivered directly to the Chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004 and served in accordance with General Order M-242 or by first-class mail upon each of the following: (i) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, (Attn: Richard P. Krasnow, Esq., Lori R. Fife, Esq., Shai Y. Waisman, Esq., and Jacqueline Marcus, Esq.), attorneys for the above-captioned Debtors; (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Andy Velez Rivera, Paul Schwartzberg, Brian Masumoto, Linda Riffkin, and Tracy Hope Davis); (iii) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, (Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq.), attorneys for the Official Committee of Unsecured Creditors appointed in these cases; (iv) Cleary Gottlieb LLP, One Liberty Plaza, New York, NY 10006, (Attn: Lindsee P. Granfield, Esq. and Lisa Schweiger, Esq.) and Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004, (Attn: Robinson B. Lacy, Esq. And Hydee R. Feldstein, Esq.), attorneys for the Debtors' post-petition lenders; (v) the attorneys for any other official committee(s) that may be appointed in the above captioned cases; (vi) Winthrop Couchot Professional Corporation, 660 Newport Center Drive, Fourth Floor, Newport Beach, CA 92660 (Attn: Paul J. Couchot, Esq.) counsel for the SunCal Voluntary Debtors, (vii) The Lobel Firm LLC, 840 Newport Center Dr Ste 750, Newport Beach, CA 92660 (Attn: William Lobel,

Esq.) counsel for the SunCal Trustee Debtors, and (vii) Miller Barondess LLP, 1999 Avenue of the Stars, Suite 1000, Los Angeles CA 90067 (Attn: Louis Miller, Esq.) special litigation counsel for the SunCal Debtors, so as to be received on or before 4:00 p.m. (prevailing Eastern time) on _____, or such shorter time as the Bankruptcy Court may hereafter order and of which you may receive subsequent notice. Only those objections which have been timely filed and served by the Objection Deadline in accordance with the procedures herein may be considered by the Court at the Hearing.

PLEASE TAKE FURTHER NOTICE that if you do not timely file and serve a written objection to the relief requested in the Motion in accordance with this Notice and the Court's Order Implementing Certain Notice and Case Management Procedures (D.I. 285), dated September 22, 2008, the Bankruptcy Court may deem any opposition waived, treat the Motion as conceded, and enter an order granting the relief requested in the Motion without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that a copy of the Motion may be obtained at no charge at <http://www.lehman-docket.com> or for a fee via PACER at <http://www.nysb.uscourts.gov>.

Dated: May 27, 2010

Respectfully submitted,

/s/ Sean A Okeefe

Sean A Okeefe
Paul J. Couchot
WINTHROP COUCHOT
PROFESSIONAL CORPORATION
660 Newport Center Drive, Fourth Floor
Newport Beach, CA 92660
Telephone: (949) 720-4100
Facsimile: (949) 720-4111

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